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NEW STRATEGIES RESTRUCTURE INDUSTRIAL DEVELOPMENT EFFORTS

Paris LE MONDE in French 6 Sep 80 pp 1,14

[Article by Philippe Labard and Jean-Michel Quatrepoint: "Awakening of the Mammoths"]

[Text] "Finally, the mammoths have awakened." This comment by a highly placed government official, who has come to know French industry well, illustrates perfectly the formidable fresh deal of the cards that has taken place in the last few months. Saint-Gobain-Pont-a-Mousson, CGE [General Electrical Company], Thomson, Michelin, BSN-Gervais-Danone, Renault, Peugeot-Citroen, Matra, Rhone-Poulenc, ELF [expansion unknown], all or almost all the big names of "business," are taking part in a carroussel. This one sells to that one, who buys in to facilitate getting rid of a dead weight of his own, which he sells to a third, all happy to create problems for a fourth, who himself... In short, business deals are being struck again. And what deals they are! They involve thousands of jobs and bring into play millions if not billions of francs.

Should the proliferation of these operations be viewed as a delayed repercussion of the 1973 oil shock? What impels the action of these business managers? An industry rationale answering to an overall strategy? Or opportunism?

All these operations of concentration, realinement, redeployment, sectorial or geographic, are shaking up French industry considerably.

"One would think we had returned to the end of the 1960's or the start of the 1970's under Pompidou," This remark by a banker is not unfounded. It is true that business experienced extraordinary activity during that

period. The "industrial imperative" was one of the main axes of Pompidou policy and was asserted at that time only through the forming of large French groups capable of meeting their foreign competitors on an equal footing. It was during that time that groups like Creusot-Loire, PUK (Pechiney Ugine Kuhlmann) and others were formed, and groups like Rhone-Poulenc were strengthened.

"Those were not dull moments," remarks one financier. In fact: Who will not remember the stock market battle launched by what was then only BSN [expansion unknown] to take over 300-year-old...Saint-Gobain? And that, strange as it may seem, and far from ending in the formation of a large glass group, this confrontation was finally resolved by the merger of Saint-Gobain and Pont-a-Mousson under the aegis of the Suez group, and the merger of BSN and Gervais-Danone.

The state, of course, did not provide the financial inducements. It merely wanted large groups. It got them by way of these operations which at times resembled more a seeking of bigger gross revenues than a rational industrial restructuring.

Are we witnessing phenomena of the same kind today? No. The economic environment has changed profoundly. The era of uninterrupted rapid growth has ended, and, it would seem, for a long time to come. The objectives sought by the leaders of the large groups have now been attained, at times radically modified.

What were these objectives during that period of abundance? To buy up, to merge: in short, to grow bigger. "An understandable pursuit, in that at that time everything or almost everything that was produced was sold." recalls one banker. Rather succinctly put, but on the whole true. Who does not recall the contempt expressed at that time by the French steelmakers for their Belgian colleagues, whom they termed "greengrocers"? What has happened is well known.

Those benign times are now bygones. Today, it is far less a matter of producing than one of selling, of lopping off dead or sick branches, of occupying a viable market niche or one with a future, of achieving just the right size to hold one's own in a market that is as worldwide as it is competitive.

Cultural Revolution

"Make no mistake. What French industrial leaders have been through is a genuine cultural revolution," says one of them. And, one might add, under the worst conditions. The year of the awakening was 1975, a terrible year that saw profits vanishing or being converted into gigantic losses: 875 million francs for Rhone-Poulenc, which had never before ended a business year in the red!

The time of reckoning had arrived. Suddenly, it was discovered that the financial situation of firms was perilously precarious: Their own funds were insufficient, their indebtedness excessive, their profits mediocre. Analysis of their productive assets was hardly more heartening: obsolete plants, structurally money-loser activities, in some cases inadequate managerial staffs. Prosperity had masked these realities. The fact is that profits in some sectors were generally used to offset losses in others.

"This discovery produced at first astonishment and a paralysis," remarks the leader of one large group. The paralysis was exacerbated by the proximity of the Spring 1978 legislative elections. Nevertheless, there was a definite need to put things in order and face the consequences of this drastic change.

It was therefore during that difficult period that strategies began to be drawn up that can be divided schematically into two categories: internal realinement or redeployment, and external expansion or redeployment.

The approach adopted by Mr Jean Gandois, the current president and general manager of Rhone-Poulenc, fully illustrates the first category. When he joined the group, Jean Gandois found a disparate admixture made up of activities embodying the latest technological advances holding promise for rapid future development (pharmaceuticals, creative chemistry, biology, etc.) and activities of a more traditional, frequently unprofitable nature, as was the case with the manufacture of basic chemicals, and of a structurally money-losing nature, as in the case of certain synthetic fibers. Decisions had to be made. They had to be made by the end of 1977. He submitted a plan for putting the group's textile activities on their feet again, stretched out over a period of 5 years, and, 3 years later, sold its basic chemicals manufacturing activity to ELF Aquitaine. The operation was doubly profitable, in that it enabled him to divest the firm of a moderately profitable activity at best and to thus raise the funds needed to develop its more promising sectors.

This strategy of internal redeployment was also put into effect by Antoine Riboud, president and general manager of BSN-Gervais Danone, when in September 1979 he announced his decision to sell to the British group Pilkingtow all of his firm's plate glass branch's European assets. Here again, it was a matter of divesting the firm, under favorable financial terms, of a sector that was characterized by heavy investment requirements and mediocre profits, to "realine" it toward a more promising market, that of food, which it then proceeded to develop by acquiring other firms, such as the food firms of Generale Occidentale, owned by Mr Jimmy Goldsmith who was anxious to divest himself of an activity that had become marginal so as to aline his group's growth on its strong point: distribution.

War Chests

This internal redeployment strategy, however, could only be put into effect by groups that were already present in sectors that could absorb the resultant loading. Did this mean that the others could only limit themselves to a defensive strategy consisting, in effect, of improving the management of activities characterized by little growth if not decline? Definitely not. Whether convinced of the internationalization of trade or resigned to it, the new managers and young government officials in the upper echelons, trained in the same schools, thought then that the road to salvation was through external sectorial and geographic redeployment.

The general framework of reference having thus been established, only the coming together of the necessary political and, above all, financial conditions to put such a policy into operation were lacking. The defeat of the left in the March 1978 legislative elections was the triggering action.

The stock market took off, money again made its appearance and the race was on to profit from it. Capital increases proliferated.

The CGE set the ball rolling at the start of Spring 1978: 300 million francs came into its treasury. The CFP followed suit (380 million), then Saint-Gobain-Pont-a-Mousson (600 million), Lafarge (300 million), L'Oreal (400 million), Ferodo (300 million), Thomson-CSF (300 million), the Lyonnaise des Eaux (300 million). From 1.6 billion francs in 1976 and 2.7 billion francs in 1977, the volume of public offerings of shares to investors rose to 5.3 billion francs in 1978 (in 6 months) and 4.8 billion francs in 1979. In 18 months, 10 billion francs flowed into the coffers of the 15 principal French groups.

The revival of the money market, which anticipates to enterprises the beneficial "repercussions" of paid-in surplus, offered another advantage: It enabled payment in the form of shares for the acquisition of firms. The Matra company, the price of whose shares increased sevenfold in just a few months, cannot be faulted for not having used this means of acquiring a goodly number of enterprises without spending a penny.

War chests were thus built up, then augmented by "setting out little shrubs for sale," in the words of one industrial leader. Saint-Gobain-Pont-a-Mousson sold its Phenix and Davum firms and its interests in refractories; Lafarge ceded its packaging department; and, at the same time, CGE divested itself of small electrical appliances by selling FAE-Arnoult. The list is not exhaustive.

Well supplied with munitions, they then went on the offensive. Since they had to move fast, redeployment frequently took the road of buying into enterprises that, when foreign, enabled the killing of two birds with one stone. Saint-Gobain-Pont-a-Mousson will furnish a striking example of this maneuver.

The group, which has been presided since June by Mr Roger Fauroux, had, to use one of his favorite expressions, "nothing but draft horses." He sought a racehorse: electronics. After going into the manufacture of components with the Americans, the group acquired, in quick succession, a capital interest in CII-Honeywell-Bull, replacing CGE, and a 20-percent capital share in the Italian office machines "giant" Olivetti. It is noteworthy that the banks, breaking through their traditional reserve, took part in the delicate financial maneuver required by this operation. For Saint-Gobain-Pont-a-Mousson, it was very costly jump in the dark that put a gaping hole in its treasury...

The case of Matra was somewhat different. The group already had several racehorses. It merely wanted to add to its stable. To do this, Matra chose the same line--electronics--but other niches, diversifying its buys--Jaeger, Solex, De Paepe, etc.--to ensure the group's presence in the promising markets of automobile electronics, watchmaking, teleprocessing...

After marking time for a brief period, CGE also joined the activities. To start with, it absorbed Sainrapt and Brice, enabling it to field a public works group of world stature. It did not stop there. Already in telecommunications, the group presided by Mr Ambroise Roux also set its sights on office machines, buying into the British Roneo firm, and, exercising extreme caution, sketched out the start of a marketing campaign in the United States. The "ticket of admission" to these sectors on the other side of the Atlantic is definitely expensive: $200 million for the acquisition of a going enterprise...

Renault accomplished dazzlingly this geographic redeployment toward the United States, by way of two agreements: with Mack, in the domain of heavy transport vehicles, and American Motors, in that of automobiles. For the Regie, necessity knows no law: As in many other sectors, that of the automobile is becoming worldwide-oriented; and an effective presence in the U.S. automobile market requires the existence of a distribution network that is better bought than built. Its rival, Peugeot-Citroen, adopted a slightly differently strategy, buying up the European interests of the Chrysler group to also attain the critical stature on the world market.

ELF-Aquitaine was not as fortunate as Renault. After having built up its pharmaceuticals and basic chemicals department, the state-owned group was in effect prevented by the government from detonating what would have been the "bomb of the year": the buying up, for 15 billion francs, of Kerr McGee.

Leaving It Up To the Giants

The last, though not the least, aspect of this geographic redeployment is the bolstering or the starting up of industrial operations abroad, whether it be to benefit from lower labor costs or to be in a position to supply

a significant portion of the domestic market. Here again, examples abound: Lafargue in Brazil, Michelin in the United States, Rhone-Poulenc in Brazil and in South Korea, Thomson-Brandt in Singapore, etc.

What is to come of this gigantic redistribution of the cards? In the absence of a balance sheet, one fact is clear: methods and objectives have changed. The era when divestment was inconceivable has ended. The gross-receipts psychosis is no more. Today, it is the "cash flow that counts," even though industrial strategy has apparently taken precedence over financial strategy. Another noteworthy change: transactions have become internationalized and technological breakthroughs have been more frequently taken into account in the choice of new sectors. The leaders of the large French groups have, rather belatedly, arrived at the same conclusions as their American and, above all, Japanese counterparts: Electronics, energy, bio-industry, and farming and food processing will be the leading sectors over the next 20 years.

How will these groups digest these profound changes? Will they find managers capable of coping with them?

Will they be able to adapt their organizational structures? This question becomes all the more relevant to the extent that some of these giants will be entering new fields in which innovation will be paramount and technological mastery indispensable. The problems encountered by the Thomson group in trying to digest its "telephonic" acquisitions attest the fact, should it be necessary, that this is not a negligible consideration.

Should one therefore give in to pessimism? Undoubtedly not. Financially, industrially, most of the large French groups appear better armed than on the wake of the 1973 oil shock. That is all to the good. These industrial groups must now buckle down to their rationale, and France is not the Low Countries. It cannot afford to leave it all up to the multinational giants, whose choices do not necessarily have to respond to the imperatives of the national community. Having our large performing groups is a necessary condition for withstanding the shocks of economic warfare. It is not, however, sufficient.

9399
CSO: 3100

QUEEN'S SPEECH TO STATES GENERAL STRESSES ECONOMIC PROBLEMS

Rotterdam NRC HANDELSBLAD in Dutch 16 Sep 80 p 14

[Text of Queen's Speech to the States General on 16 September 1980]

[Text] The Hague--Queen Beatrix gave the Queen's Speech on Tuesday afternoon for the first time. In giving the speech, during the joint meeting of the States General in the Ridderzaal in The Hague, the queen opened the new parliamentary year.

The literal text of the Queen's Speech reads:

Members of the States General

"Today you are resuming your activity under an unfavorable economic star," thus my mother addressed you at the opening of the previous parliamentary year. Unfortunately today there is even more reason to make such a statement.

During the past year, another wave of price increases for oil and other sources of energy has flooded the world. Those increases have an effect on the prices of other imported goods. World trade is faltering. All over Europe unemployment is increasing, inflation is accelerating and the balance of payments is deteriorating.

Also, for the coming year our country can expect no or little growth. We do not have financial elbow-room to drive up the economy. The Netherlands is getting into a tight corner. On the one hand there is no longer any real increase of the national means, and on the other hand there are continually increasing claims on those means, both for collective and private expenditures. It is impossible to meet all those desires. Unless we should make the desperate jump to an even greater financing deficit. But that would result in the nation gradually having to pay so much interest on its debts that essential government tasks could no longer be carried out. Moreover, in trying to finance the high deficit, the state would then drive up the rate of interest, and thus further hamper investments in businesses and houses, primarily at the expense of employment opportunity. Instead, the financing deficit ought to be decreased, and the draft budget is thus indeed aimed at doing so.

How should the available means be divided between the collective and the private sector and subsequently within each of those sectors? The government has struggled with the questions originating from this.

The demand made on the national income by the government and the social provisions, including health care, has more than doubled since 1950. In the seventies the costs of those provisions have greatly increased. A continuation of that development in the eighties would greatly disrupt our economy. Therefore the cabinet recently asked the Social Economic Council to submit advice on a number of economies, totaling altogether over 800 million guilders in 1981; that is about 1 percent of the total of annual expenditures for social security. Now also, the government does not want to harm our system of social security. But that system can be maintained only with appropriate management and on the condition that it work only for those for whom it is intended. It must not result in people staying away from the labor market who are able to work.

Particularly with a view to employment opportunity, the government has looked for retrenchments on the national budget more in wages than in material government expenditures. On one point those expenditures have even been increased above the long-term estimates, and that is for the benefit of housing construction. The deterioration of the building industry is a subject of great concern, both in terms of public housing and of employment opportunity. Therefore the program for building houses under the Housing Act has been increased by almost 10,000 for next year. More means have also been freed for the improving of houses under the Housing Act. However, a thorough public housing program in the long run cannot be secured through subsidies from the treasury. Citizens will have to be prepared to spend a greater share of their income for housing. For a number of years rents have stayed behind building costs. It is in the interest of housing construction to correct the situation created by that.

In the private sector it is primarily a matter of the height of the income level. First and foremost because wage costs help determine to a considerable extent the production costs of industries and thereby their competitive position. Many firms, also medium-sized and small ones, can no longer, or can hardly, keep their heads above water, let alone be able to make investments for replacements or expansion. It would be incorrect, however, to attribute each closing or cutback to the level of wage costs. The report of the Scientific Council for Government Policy on the position and future of our industry proves that. It also expresses the need to abandon forms of industry which are no longer viable and to open up new activities, partly with the aid of applied scientific research.

The level of wages is important not only to private industry and thus for employment opportunity there. When wage earners and employers make agreements on income from work in industry, they make decisions which have far-reaching consequences for the national budget and also for the application of the system of social security. Sixty percent of the expenditures in the

national budget are directly related to wages in the private sector. Furthermore there is the coupling with social benefits. Therefore insufficient moderation in the private sector also has drastic consequences outside of it. The cabinet therefore is making an urgent appeal to wage earners and employers to exercise the greatest moderation. If this appeal is met, then the government is able to levy lower social premiums and taxes. Furthermore, there will then be some room in the national budget for the fight against unemployment. Everybody will have to share in the necessary moderation, but then according to the extent of his ability. These are the intentions the cabinet will bring up for discussion in the coming weeks with the Foundation of Labor.

Even though the Netherlands is getting its share of the economic regression which is striking many countries, we are still a prospering nation in the world. It is not only to our own interest to retain this position, but also to that of the countries which receive our development aid. If we are able to recover our balance of payments, we will be able to maintain our loans and gifts to countries of the third world. It is our duty to keep up the development aid also in a period which is more difficult for us. The government will continue to sound the alarm in the United Nations, the European Community and wherever it is useful for the hundreds of millions who are lacking even the barest necessities. Here it is not only a matter of making available money or goods, but especially of revising the economic order in the world, in spite of all the opposition to it. The report of the Brandt Commission should not be neglected.

It is of great importance to the future relations within the kingdom that a conference will be convened as soon as possible on new forms of cooperation between the Netherlands, the Netherlands Antilles and the islands of the Netherlands Antilles [as published] as a result of the report of the Kingdom Task Force.

Shortly the Netherlands will become the chairman of the European Council of Ministers. The Community is experiencing a period of adversity. That must not evoke discouragement, but should actually intensify joint efforts. In the European Community we will welcome Greece on 1 January as the 10th member state. That will however intensify the problem of there being differences in prosperity within the circle of allies which hamper integration.

Also within the borders of our own country there are great differences in prosperity and well-being. The cabinet will shortly submit to you an explanation of the regional policy to be pursued in the coming years.

It will be an increasing concern to provide housing and employment, appropriate education and adapted welfare provisions for those who belong to cultural minorities. You will receive bills to smooth the path for giving education to these people also in their own language and taking into account their own culture. The presence in our midst of a greater number of

inhabitants than ever before with a culture alien to us puts before us the task of showing that we ourselves have the tolerance for whose lack we have lectured other countries.

Tolerance and mutual respect are lacking in our society, and not only in our feelings for people who have come from elsewhere. What is more, sometimes the question comes up of the extent to which one should behave according to regulations and decisions which came about according to the rules of our democracy. Our democratic constitutional state can take some knocks, but if it wants to remain viable, two things are necessary. The law must derive its authority partly from its content, from a recognizable balancing of the various interests. On the other hand, everyone must comply with the results of democratic decision-making. It is essential to our constitutional state that judgments of the judge be respected.

No matter how much uncertainty is hidden in studies on the future, a number of developments clearly stand out for the eighties. Among them is that the ability to have access to and to handle data is gaining importance to a rapidly increasing degree. That will have great consequences in society. The policy the cabinet plans to pursue in this area will shortly be explained to you in a statement.

An entirely different, but just as important, development which is taking place is with respect to the social position of women. There has been considerable improvement in this area, but emancipation has not yet been completed. The finishing touch is being put on a preliminary bill against discrimination on the basis of sex; it will soon be made public.

In this Queen's Speech, the government forgoes the giving of a summation of all important proposals which will be made during the parliamentary year by the government, in the form of law or otherwise. It suffices to mention two of the biggest projects of legislation. One of them is the entire revision of the Constitution, which is approaching its completion. The other is the creation of a new civil code. The largest part of that, the property rights, will achieve the stage of submission of bills to be introduced this year.

The draft of the national budget and the explanations on it will give you a complete picture of the policy to be pursued. They describe in more detail how the government wants to discharge its duties to serve the well-being of all who live in our country. Included are a careful organization of our country, urban renewal, concern for orderly and safe traffic, the promotion of profitable agriculture and horticulture. Another issue is an as clean as possible environment. Through the centuries people have worked the land diligently and ingeniously and have changed its appearance. Now we should be able to control the environmental problems we caused with the same ingenuity and devotion.

The Netherlands is privileged being a free country. To assure that freedom is worth a price. Our country continues to furnish an appropriate contribution to the Atlantic Treaty Organization for the preservation of peace and security in the world. Together with the allies, the efforts must be continued, aimed at balanced arms control and disarmament.

Members of the States General

In the year ahead of you drastic decisions and painful choices must be made in order to bring about the Netherlands' extrication from its economic problems. We can turn the tide, provided the idea of solidarity proves to be stronger than the aim at self-interest, provided that apathy makes room for a sense of responsibility. The Dutch nation has already earlier shown itself to be at its best when things are truly difficult. The government trusts it will prove that once again.

Considerable devotion and energy will be asked of you as peoples' representatives. You may have faith that many wish you wisdom and pray for your blessing.

Herewith I declare the session of the States General opened.

8700
CSO: 3105

1981 BUDGET ASKS FOR VOLUNTARY WAGE MODERATION

Rotterdam NRC HANDELSBLAD in Dutch 16 Sep 80 pp 1, 3

[Text] The Hague, 16 September--The government has made a forceful appeal to employers and employees to achieve considerable wage restraint. The policy submitted today in the 1981 budget report assumes a pay increase of 8 percent. The government considers that too much and hopes for a voluntary reduction of 2 to 6 percent.

The initial reactions of the trade union movement to that are negative. Little willingness for discussion appears at the Labor Foundation where Minister Albeda (social affairs) invited the social partners today. A discussion should be held at the end of September. Even the employers seriously criticise the government plans.

The budget report emphasizes reducing the finance deficit from 6 percent of the national income in 1980 to 5.25 percent in 1981. Even before the Second Chamber begins the general debate on 7 October, the government hopes to reach an agreement for a voluntary wage reduction of 2 percent. On the other hand, it is ready to increase the finance deficit by a half a billion for each percent of reduction. By so doing, the increase of Social Security premiums now planned can be limited.

An amount of 3.6 billion is now being saved. In drawing up the budget, there was still a mortgage of 3 billion in economies, which still had to be assimilated, so that in fact 0.6 billion additional must be saved.

Social affairs and public health must provide 1.2 billion. As a result of the additional reductions, 800 million must be saved on official's salaries. Teaching personnel are asked to supply 265 million guilders in the form of an additional reduction of salaries.

BTW [Value-added tax] Higher

Besides the additional economies, tax increases are also necessary. They are due mainly to an increase of Social Security premiums. The cabinet will reduce the government contributions to the Social Security Fund by 1.3 billion.

The low BTW rate will be increased from 4 to 4.5 percent (revenue 250 million).

The inflation correction in wage and income taxes is being kept at 100 percent. The income tax will be gradually increased to finance the benefits to former Indonesian internees (225 million).

The overall tax burden is increasing by 0.4 percent of the national income. A better distribution of taxes can be achieved with more extensive wage reduction. The loss of purchasing power can then be limited to 1.25 percent for the minimums, amounting to 3.5 percent for four times the average (120,000 guilders).

Consequently additional money can be available for employment. The Central Planning Bureau estimates unemployment at 280,000 next year (240,000 this year).

Additional natural gas profits from export contracts are estimated at 2 billion. Of that amount, 1.3 billion can be used to alleviate financial problems of business.

More Houses

The government announces an increase of the WIR [Law on Investment Account] basic premium for investments in machines and relief in the field of the profits tax. Additional general and specific stimulative measures for business require a total of 655 million guilders. Of that amount, 285 million is being used for the construction of 9,500 additional housing act dwellings and 1,000 housing units. An amount of 150 million is available for labor market measures and 100 million for energy conservation (home insulation).

Minister Van der Stee (finance) pointed out in an explanation of the budget the economic conditions which have become so much more unfavorable. It was still expected in 1976 that in 1980 a surplus of 7 billion in the current account of the balance of payments could be anticipated, in fact we now have

a deficit of 7 billion. Because of this unfavorable development, not the employees, but profits and employment will have to foot the bill.

The priority of policy is the reduction of the balance of payments deficit through reducing consumption and improving business' competitive position. The increase of the national debt must also be slowed down with an eye on that goal.

Steps are being taken with this policy towards a structural restoration of our economy. The structural imbalances cannot be corrected overnight. Therefore, according to Van der Stee, the policy which is now being implemented, must be continued.

8490
CSO: 3105

NEXT VVD CHAIRMAN JAN KAMMINGA INTERVIEWED

Amsterdam ELSEVIERS MAGAZINE in Dutch 6 Sep 80 pp 73-75

[Report on Interview with VVD (People's Party for Freedom and Democracy) Candidate-Chirman Jan Kamminga by W. G. J. Bavelaar: "The VVD has had to surrender a lot, but not too much"; date of interview not given]

[Text] The next chairman of the People's Party for Freedom and Democracy: Jan Kamminga. A pure-bred Groninger who very rapidly made his way to the top of the VVD. To all appearances the young realtor from the North will succeed Party Chairman Korthals Altes next May. Internally, he has made a sound name for himself. Indeed, tense times are ahead: elections and the campaigns for them. Following is a profile of, and discussion with, a "coming man" in the liberalism of the eighties.

"No, I have never been a member of the JOVD [Youth Organization "Freedom and Democracy]. Things went somewhat differently with me. The turbulent sixties passed me by. I had to work very hard in my father's office at a very young age and I kept that up for a number of years. But then a moment came at which I had to look farther afield. The 33-year old co-partner of a big realty company in the city of Groningen (50 collaborators) decided to start looking at politics at the age of 25. He was attracted by the performance of [VVD's] Wiegel, which rapidly made the young Kamminga decide to opt for liberalism. For that matter, that was all he heard at home. Just as in his business career, things also went fast in -- local -- politics with Kamminga. In 1974 he became a member of the municipal council and was involved in matters such as public housing and town planning, traffic and transportation. He did not do very much with respect to public housing. As a realtor it seemed wiser to him to avoid any possible appearance of conflict of interest. Therefore he devoted more attention to traffic questions. Thus he had a lot of contact with the then Groningen Alderman Max van den Berg, the spiritual father of the notorious traffic circulation plan in Groningen. "I met Van den Berg at meetings twice a week for 4 years. I know him well. He is a zealot, but goes about it honestly" says Jan Kamminga about the current PvdA chairman with a friendly, slightly northern accent.

The figure of Kamminga started to be noticed in The Hague. His straight-to-the-point use of language, his obvious power of attraction for young liberals and his capacity to say difficult things in a simple manner made him land behind the executive table of the VVD in 1976 (he was 29). Two years later he was elected chairman of the parliamentary office in Groningen. In the same year he became a member of the housing- and rental commission of the VVD. His political career was temporarily determined when he was appointed vice chairman of the VVD in mid November 1979. And since last week it has moved even faster. Party Chairman Korthals Altes made it known in so many words in the party paper "Freedom and Democracy" that Kamminga was to succeed him.

Kamminga is working on that very hard now.

This week he stopped his membership in the municipal council and now he is devoting all his time to realty and the VVD. His chances look good. At the party secretariat one can learn that things are not yet that far advanced. The executive committee first has to announce his candidacy officially. But no one believes that Kamminga's appointment is still in danger.

Namely, he has already been able to portray himself as a modern party chairman who certainly doesn't know everything, but who does know how to enthuse people around him. During the illness of Mr Korthals Altes he had to be acting chairman for over 3 months and obviously he did not do too badly in that capacity.

"Of course it was due to a sad reason that I was able to come into the public eye. But it was a stroke of good luck for me. I led two important congresses and I was able to join forces together. At a congress in Groningen his speech was interrupted many times by applause. "I started by saying that the VVD is 'an excellent party' and ended with 'we can meet the voters with our heads held high.' They almost tore down the hall. The difficult meeting on the declaration of pol[illegible]y, in which 4000 motions and amendments had to be discussed, could come to a good end. Everthing went well," says Kamminga with a slightly surprised satisfaction.

He does not want to avoid coming debates on "the policy" but he is conscious of the fact that he is not a great party-ideologist. He hardly knows the party VIP's. And least of all he cherishes ambitions of pushing through into national politics. "I indeed have no parliamentary experience. Neither do I have an affinity for it. I think that a small number of members of the Second Chamber have a pleasant job. All the others have to talk an awful lot and see little result of their work." The proverbial down-to-earth Groninger says he simply wants to continue working as a realtor, and bring about concrete results.

Nor does he see it as his job as party executive to spend much time on the course of events within the [VVD] parliamentary group. "A party executive

committee should not want to steer the political course. The parliamentary group will have to work out that political course in a period of 4 years via the election platform. The executive committee must make sure that the current policy relates to the platform." Kamminga also sees the hierarchy in the parliamentary group as a matter for that group itself. Therefore Kamminga does not care to comment on a possible successor for Parliamentary Group Leader Koos Rietkerk, whose name momentarily turned up as a candidate for the post of provincial governor in Groningen. "We are not that far ahead yet." On Vice Chairman Annelien Kappeyne van de Coppello and the young member Ed Nijpels, who regularly show themselves as the "progressive duo" in the group, the coming man says: "Now and then there are certain differences in the parliamentary group. But VVD members happen to be individualists and it is alright if sometimes there are objective differences. Those two function in what we call the soft sector. The VVD is progressive in that respect. But on the other hand, we think that the free enterprise system of production is the best form to keep our country going. In that sense we are not inclined to change. And then people in the socio-economic sector quite rapidly get a somewhat more conservative label pushed on them. But that doesn't mean that politically they are mutually opposed. With respect to a number of matters in the soft sector, we are closer to the PvdA [Labor Party] than to the CDA [Christian Democratic Appeal]. And those are precisely the sectors which are represented by Kappeyne and Nijpels. Then you get the effect that these parliamentary group members plead more for cooperation with the PvdA than do the socio-economists and the representatives of defense in the parliamentary group. For the latter, that cooperation is absolutely impossible."

As vice chairman, Kamminga will become involved with sensitive questions such as the composition of the list of candidates. There are always too many candidates: one cannot simply drop the "old hands" but on the other hand, there are new, often young, candidates who apply and who deserve an eligible spot. One also has to take into account a certain regional distribution. It is difficult to maneuver in that tense arena. In any event, Kamminga believes in putting emphasis on rejuvenating the liberal team in the forming of the next parliamentary group.

Kamminga says he is "not dissatisfied" with the parliamentary group policy and the position taken by the liberal ministers. Four and a half years ago, in the drawing up of the former election platform, it could not be foreseen that everything would change in the economy, he explains. A very bumpy road and the minority position in the coalition prevented the platform from being carried out 100 percent. "One has to accept that, even though it is difficult. The VVD indeed has surrendered much, but not too much. In that respect, the reactions from dissident CDA circles show that the VVD doesn't have to be dissatisfied."

The lively-eyed young Groninger lets it show that he clearly would love the new job. Since 1976, when the VVD was in opposition to the Den Uyl

cabinet, it lost about 10 percent of its membership; especially in the South of the country. The membership now comes to over 92,000. "The mood is very good now in the VVD. That is obvious from discussions on the declaration of policy and the Liberal Manifesto. Tens of thousands of people are active in that. I also feel comfortable with it. With these starting points we are well able to enter the 90's."

Kamminga doesn't want to be classified as a certain type liberal and says he would even find that difficult. Groningen liberal circles, however, describe him as a party member who feels more kinship with the Geertsema-Vonhoff line than with that of Rietkerk/Wiegel. He is said to have a rather progressive outlook. He is a man of solid action, who doesn't see much sense in discussions which are known to be futile in advance. Discussions between the VVD, PvdA and D'66 [Democrats '66] on possible future forms of cooperation, for example in the Des Indes group, he considers to be of little use. It is better to discuss matters closer to home, such as elections and the cabinet formation following them.

"In a formation it is out of the question that the VVD will be in the cabinet with partners other than the CDA and possibly D'66. Is that party indeed the "reasonable alternative" it says it wants to be? Then it will have to take a position independent of the PvdA; only then is it an alternative. If it does that, then we certainly are willing to discuss the forming of a coalition."

Some think that D'66 is moving slightly to the right and is slowly but surely creeping toward the VVD liberalism on certain points. "I think that is true to some extent," Kamminga also thinks, "but the following of D'66 hasn't spoken up for a long time. The coming congresses of that party will have to show what the score actually is with D'66. What is D'66 opting for with the pistol at the ready? For independence or for following the PvdA course? In the latter case, inclusion in the VVD-CDA coalition will be very difficult."

The D'66 phenomenon itself. The big gains in seats in the polls? Jan Kamminga thinks there are parallels with the polls in the previous chamber elections, when the findings showed that the VVD would get 39 seats (as against the 22 held at the time). "With us too there was great jubilance at the time. But ultimately there were only 28 seats." To carry out opposition usually means a gain in the polls. "It is attractive to the voter to hear how things should not be done. D'66 may tell good stories now, but in the election struggle it is obliged to answer very difficult questions also. Then it will be much more difficult to retain the image of the nice, friendly party. I think the same will happen as happened to us: the closer the elections approach, the lower the opinion polls will turn out to be."

According to Kamminga, the situation must now be extremely critical indeed for the Labor Party. If you are in the opposition and are losing 10 seats

according to the polls, then that is almost deadly. "Surely that party is wondering with considerable concern what should be done to break through that barrier. When you see where D'66's gain is coming from, it turns out to come for the greatest part from the PvdA. For the time being, the struggle between the PvdA and D'66 for the favor of the progressive voters promises to be extremely interesting."

The eternal government partner, the CDA. "I think that it would be healthful for that party and for Dutch politics if the CDA would sit on the opposition benches for once. The CDA has been able to influence the policy for too long. It would be desirable for this country to have the German situation here also." Kamminga opposes the generally dominating view in this country that the FDP [(German) Free Democratic Party] could be compared to a sort of D'66. "I found those stories to be absolutely untrue. The FDP shares our views completely." In his opinion the liberal element is not the big difference with the German situation. "The SPD [Social Democratic Party of Germany] is an entirely different socialist party from the PvdA. If the PvdA were to develop itself into an SPD, I would not want to exclude cooperation between liberals and socialists. I would even find it very useful if this were to be investigated. But if the PvdA is going to follow the course which Max van den Berg plans to indicate, then I see a growing away from each other rather than toward each other."

The new retrenchment announcements of Minister Albeda and Secretary of State De Graaf: "I don't think there is any other way. For desperate diseases call for desperate cures. The people in the country surely will understand little by little that something has to be done and that we can not continue to spend more than comes in." The temporary election platform thus also mentions measures which have to pep up the country's economy and which would have to provide 70,000 new jobs. Some points: decrease of the collective burdens by 1 percent; stricter conditions for receiving social benefits; increase of the housing production, curbing the growth of the number of civil servants. Entrepreneur Kamminga always gets a lot of applause at speaking engagements with his summonses, expressed with elan, such as: "The people themselves must be active again in finding new ways. Only inventiveness and creativity of the individual will get us out of these difficult circumstances. Not resignation: that of trying to find a job with the safe government or a safe company as soon as possible after finishing school. Free enterprise must get a new meaning. The bad sound of free enterprise and doing business must be replaced by doing new things again, taking new initiative. Young people must be stimulated to do things themselves again. Liberalism will have to aim at that new mood in the coming years."

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SOARES CARNEIRO ON MILITARY ROLE, ELECTIONS, CONSTITUTION

Rio de Janeiro O GLOBO in Portuguese 17 Aug 80 p 30

[Interview with Portuguese presidential candidate Gen Antonio Soares Carneiro, in Lisbon; date not given]

[Text] Lisbon--Gen Antonio Soares Carneiro, a candidate for president of Portugal, said in an interview conducted by O GLOBO that he believed a revision of the 1976 Consitution advisable, so that the impasse in which the country is at present may be overcome.

"The Portuguese Constitution contains two plans for a society that are mutually self-cancelling. One, dealing with individual guarantees, advocates a liberal, Western-type plan. The other, dealing with economic organization, aims at a Marxist-type collectivism," he stated.

In the opinion of Soares Carneiro, Portugal's membership in the European Economic Community will not jeopardize its Atlantic orientation. The general believes that "only an economically, politically and socially stable Portugal will be in a position to open itself up to cooperation with Africa and with Latin America, under the terms required by the present-day world."

Gen Antonio Soares Carneiro, 52 years old, is, at present, head of the Department of Instruction of the Army staff. Before the April 1974 Revolution, he served as governor of Luanda and as secretary general of the Presidency of Angola.

After the Revolution, he was confirmed in his duties in Angola and, later, he became a member of the Junta of National Salvation. In 1978, when he was promoted to brigadier general, he commanded the Abrantes infantry

regiment. Last year, he served as deputy chief of staff of the Army, after heading the Association of Commandos.

Arrested on 12 March 1975, he was released on 11 May. From then on, he committed himself to resistance against totalitarianism. An important part is attributed to General Soares in the mobilization against the left in the Portuguese Armed Forces.

The interview follows:

[Question] In connection with the presidential election, there is now, just as there was 4 years ago, an almost total prevalence of candidates coming from the military area. At that time, this fact was not presented as representing a threat to the unity of the Armed Forces. But this time, and taking your candidacy especially as a pretext, in more than likely competition with General Eanes (present president of the Republic and also chief of the Armed Forces General Staff), political party forces on the left are proclaiming that they are alarmed by the danger that, in their opinion, may result in a destabilization no longer only of the military sector but also even of the democratic system itself. General, will you please comment on this matter?

[Answer] I think that it is wrong to try to divide Portuguese society into civilians and military. Personally, and I have had occasion to state it more than once, I was in favor of a civilian president of the Republic, precisely in order to put an end to a division that, in spite of being more apparent than real, does not cease being a trauma in Portuguese life.

Situational reasons led the majority of the political forces -- naturally predominantly civilian -- to believe it advisable for military men to represent them. A large part of those forces believed that I should be that military man. To claim that a candidate running supported by a coalition of parties and which always accentuates that support can be a factor of destabilization of the democratic system is ridiculous, to say the least.

[Question] The socialists and the so-called "leftist intellectuals" connected with the Communist Party, as is well known, who are preparing, however, to support General Eanes as a candidate for reelection, say that they are concerned over your possible election, because they believe that it is not proper, within the traditional framework of European democracies, for a military man to become president. What is there of ideological in that view?

[Answer] The question has the answer implicit in it. The problem will never lie in the fact that the chief of state, the symbol of democracy, is a military man or a civilian, but rather in his respect for the institutions, in his assuming the responsibilities of the office, in his being a guarantor of the continuity of the state and in his recognizing the sphere of competency of the other organs of sovereignty.

Perhaps it should be added that I stated at one time that I believed it inadvisable for the president of the Republic to "accumulate" the duties of chief of state with any military function. Therefore, I stated that, if I am elected president of the Republic, I would not be chief of the Armed Forces General Staff.

[Question] You are a career military man who arrived at the grade of general after 30 years of active service in the Army by meeting all the requirements for a series of promotions in the Armed Forces. What has driven you now to engage in political activity? And are you doing this as a military man or merely as a Portuguese citizen who happens to be a military man?

[Answer] As a military man I have never slighted or avoided the obligations that I owe to my country. Moreover, I think that the military are obliged always to be ready to perform whatever missions the nation's interest assigns to them. When important political forces stress the advantage of my candidacy, and after thorough reflection, I decided to accept as one more act in the service of the country. Obviously, my decision was influenced by the fact that there was no other candidate identified with the national project that I endorse and that has justified support.

[Question] In the press conference presented to Portuguese and international public opinion in the middle of June, you stated that, within the framework of freedom characteristic of a Western democracy, you accept and respect the choice of any citizen for the communist ideology.

But it has also become quite clear that, because you recognize an antidemocratic conception in the Communist Party and because you believe that it has acquired an influence out of proportion to its real weight in elections in the structure of the state and of society itself, you will exclude it from any "pacts or arrangements of express or tacit interests."

Not only the candidate's rejection of communist votes but also his opposition to them is implicit in these words. Do you believe that this stand thus taken with so much frankness is completely different from the stand of the other candidates and, specifically, that it conflicts with the practices of some ambiguity characteristic in this respect of the term in office of President Eanes and point to him, in the next few months and especially if the election has to be settled by a runoff, as the definite beneficiary of the communist votes?

[Answer] I suppose that my stand with regard to communists or to the Communist Party has not always been understood. I admit that it is possible to profess communist ideology without ceasing, for that reason, to respect the principles of democracy. And without ceasing to put the nation's interests above the interests of any other country. I do not believe that this is true of the CP. This is what has led me to make my aloofness from that party very clear.

Naturally the communist votes will be absorbed by another candidate. The least that I can hope is that their acceptance will not imply that the CP can continue to have an influence out of proportion to its electoral weight in Portugal.

[Question] Can it be understood, then, and in that light, that the slogan that best defines your stand with regard to the problem is the one summarized in the words that you also spoke in June and that have found so much repercussion in many international press organs: "The limits of my electorate are the frontiers of democracy"?

[Answer] At that time, just as now, I did not find a more succinct way of expressing myself and this is because, if it is proper and desirable for the president of the Republic to have his own concept of society and to be elected by those who know him and approve those concepts, it would only be admissible if he were understood to be president of all the Portuguese people and as a guarantor of the rights of the minorities and of the underprivileged.

[Question] In the possibility of your being elected president of the Republic, how do you regard the feasibility of a thorough revision of the 1976 Constitution? Will it be entirely in accordance with the rules set up for that purpose in the fundamental law itself? Will you attempt to influence with readjustment to the historical and social reality of the Portuguese state?

[Answer] I have already had occasion to state that the Portuguese Constitution contains two plans of society that are mutually self-cancelling. One, contained in the individual guarantees, advocates a Western liberal-type plan. The other, contained in the economic organization, aims at a Marxist-type collectivism.

This ambiguous situation has had paralyzing effects on the country's life, effects that will tend to become worse with our future membership in the European Community supported, moreover, by a large majority of the parties.

Therefore, a constitutional revision that will enable us to come out of the impasse in which we are is desirable. Because the fundamental law affecting the future is involved, it is believed advisable for it to result from the consensus of all the democratic parties. If, however, this consensus should prove to be impossible, I think then that the chief of state will have to bring into play the sovereignty of the people by means of a referendum, in order to guarantee the democratic stability that is the framework of every social and economic project.

[Question] How do you foresee the development of relations and of cooperation between Portugal and the new so-called "Portuguese-speaking" African states? And what about the inclusion of Brazil, another large Portuguese-speaking country, in those relations?

[Answer] I regard it as certain that the painful but short, in historical terms, period of decolonization has not deeply harmed the bonds of brotherhood and respect that were cemented between the Portuguese people and the African peoples who shared a long period in history.

That deep feeling for which there are many definite examples, together with the mutual interest that Portugal and the officially Portuguese-speaking African countries will find in an intensive, proper and realistic cooperation will lead naturally to a progressive development of those relations. It suffices, for that, for the governments of the countries concerned to put the real interests of the people governed by them above specific commitments to the ideology professed by them.

With regard to relations with Brazil, both in bilateral terms and on a more vast level of cooperation with third parties, I think that a broad field is opening up before us. I believe, however, that many of those enormous possibilities will have to be fulfilled by the will and vigor of private enterprises. It is up to the state, primarily, to relieve paralyzing situations.

[Question] Does Portugal's sought-after membership in the European Economic Community conflict, in some way, with the traditional Atlantic orientation of the Portuguese nation and will it be an obstacle or an advantage for a closer, and more fruitful cooperation with those African countries and with Brazil?

[Answer] I do not believe that membership in the European Economic Community will jeopardize Portugal's Atlantic orientation. Besides, the experience of many years as a member of EFTA [European Free Trade Association] has prepared our country, in a certain way, for European cooperation, without having a profound effect on our way of being in the world. Moreover, only an economically, politically and socially stable Portugal will be in a position to open itself up to cooperation with Africa and Latin America under the terms required by the present-day world.

[Question] According to what can be read in many Portuguese newspapers, especially the ones more party-oriented, there is a great concern for sticking ideological and not always friendly labels on you. From that point of view, General, how do you describe yourself: as a social democrat, a Christian democrat (and, in this case, in the European manner or in the manner of Central and South America), or merely as a conservative or a man of the right?

[Answer] I have always felt great difficulty in finding clothing that I could use in the "ready-to-wear" section of present political definitions. I believe, moreover, that many political figures accept more than they select the labels put on them.

I certainly am a democrat. There is no doubt that I am a Christian. But is it possible to be a Christian and a democrat, assuming those conditions humanly and politically, without giving priority to social concerns?

On the other hand, how should the term conservative be understood? A person who rejects and fights against the evolution of development? In that case, I certainly would not be a conservative. But I should not completely reject the label, if it were understood as someone who believes that the future is not built without respecting the past, finding lessons and incentives in it.

In your list, you omitted the term "reformer," which is almost always associated with the idea of someone who, while not disagreeing entirely with a specific type of society, tries to make it move forward a few steps on the road to equality. In Portugal, curiously, and in view of the uncontrolled leaps caused by the hottest period of the revolution, the idea of "reform" seems to be tied more to putting the political project on the right track. This certainly is a spirit from which I do not feel removed.

[Question] From what we can gather, you followed the recent visit by Pope John Paul II to Brazil in the press, on TV and on radio. Would you please make a comment on it? What is your opinion of the present pontiff and of the profound pastoral action that he has been carrying out in these still short 2 years of his pontificate?

[Answer] John Paul II has asserted an austerity of language and attitudes that is galvanizing Christians toward a present understanding of the Church itself: the zeal of the absolute cannot be overburdened with artificial ideologies leading to violence. Respect for man will be the true key to justice and peace in the family, in the nation, in relations between states.

For all creeds, what I retain from the pontifical message is a rejection of exploitation of man by man, by the state or by an economic system.

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RUPEREZ COMMENTS ON ISSUES CONFRONTING MADRID CSCE CONFERENCE

Madrid BLANCO Y NEGRO in Spanish 6-12 Aug 80 pp 4-8

[Interview with Javier Ruperez, chairman of the Spanish CSCE delegation, by Jose A. Munoz Atienza, in Madrid; date not given]

[Excerpts] The Conference on Security and Cooperation in Europe (CSCE) begins this 11 November in Madrid. It will be attended by 35 countries: all the Western and Eastern European countries, except Albania, plus the United States and Canada. The Madrid meeting is at the diplomatic delegation level, which means that the foreign ministers of the participating nations are not committed to attend.. The protocol is similar to the CSCE meeting in Belgrade in 1978, at which the Russians ruled out discussion of the human rights issue. The Belgrade meeting was a followup to the famous Helsinki Conference, which closed in August 1975 with the signing of its final document in the presence of heads of state and government.

The Madrid conference will try to delve more deeply into the thorny problem of world detente, which has been shunted aside since the Soviet invasion of Afghanistan, and this, naturally, jeopardizes European security.

The chairman of the Spanish delegation at the November conference is Javier Ruperez (39), a career diplomat, a UCD [Democratic Center Union] deputy from Cuenca and the head of international relations of the government party.

A charter member of the defunct weekly CUADERNOS PARA EL DIALOGO, Ruperez published the book "Confessional State and Religious Freedom" in 1970. During the closing years of the previous regime and at the

outset of the transition he was a prominent member of Democratic Left, the Christian Democrat group founded by Professor Ruiz-Gimenez.

Javier Ruperez, who is from Madrid, studied at the Colegio del Pilar, a veritable breeding ground of politicians for democracy. He and his wife Geraldine Molenveld have one daughter.

The organizational work for the Madrid conference is time-consuming and exhausting. From his voice you can tell that he is somewhat tired. "The final document at Helsinki was a major historical moment," he says, "that warranted the presence of the chiefs of state and government of the participating nations, since it marked the culmination of an entire process of detente. The first phase of the Conference on Security and Cooperation in Europe drew to a close there. The Belgrade meeting was envisioned at the Helsinki Conference, and it ended in relative success..."

[Question] Well now, Mr Ruperez, the human rights issue did not go down too well with the Russians there...

[Answer] That's true. There was a great deal of confrontation over that issue at Belgrade...

[Question] In a word, there was no agreement.

[Answer] Minimal agreement was reached. There was an agreement to hold the Madrid meeting. You cannot say that the Belgrade meeting ended in failure and that that was why the Madrid meeting was called. That is not the case. Belgrade did yield results: an agreement to hold another conference, meetings of experts on various issues, such as the Mediterranean, scientific topics, etc...In point of fact, the main, though minor success of this series of conferences is that they continue to be staged as ideal negotiating forums.

Expectations And Hopes

[Question] You have said that there were no winners or losers at Helsinki. Were there winners and losers at Belgrade?

[Answer] No. What happened was that the conference was unable to expand seriously on the final document signed at Helsinki.

[Question] Because the Soviets vetoed the human rights issue?

[Answer] That is partly true, though it is also partly oversimplifying. We must not forget that the 35 participating nations have the same veto rights at the conference, because it is based on consensus. I sincerely believe that Belgrade was a reflection of the times. That is why the Madrid conference is going to be doubly interesting, because the international situation is obviously worse than it was during the Belgrade meeting. But perhaps this is why we have our expectations and some degree of hope. It is when a situation is most complicated and difficult that we most need a security conference.

[Question] Does the final Helsinki document satisfy you as a man of the West and a democrat?

[Answer] Both sides freely agreed to it. As a man of the West and as a democrat, it satisfies me completely. We must not forget that that final document is still the constitutional groundwork of the entire conference, its bible. We have to get used to looking at the CSCE as a whole: Helsinki, Belgrade, Madrid and whatever comes later. From this standpoint, the final Helsinki document, in which I played a very active role and of which I am very proud to have been one of the innumerable creators, reflects quite well, I think, not Western interests but Western proposals.

[Question] You are completely satisfied, but in the meantime the Russians have swallowed up Afghanistan, trampling on detente and their own signed pledges...

[Answer] That is obvious.

Human Rights: Gut Reaction

[Question] So then, to what extent can the Madrid conference be successful, bearing in mind that the Russians are going to come with their claws sharpened.

[Answer] Well, the Soviet delegation will not be the only one coming to Madrid with its claws sharpened. That is the major dilemma of the conference and of international affairs in general. The final document has obviously been violated, not respected. Given this situation, we have two extremes to choose from. One is to point out the violation and decide not to continue negotiating. That would bring additional tension into international affairs. I want to go on the record as saying that human rights violations, wherever they might occur, always cause a real gut reaction in me. The other extreme would be to continue with the conference as if nothing had happened. That would kill the spirit of Helsinki. I feel that neither of the two extremes is a good idea.

[Question] Explain the solution to me, Mr Ruperez.

[Answer] The middle road. Keep the conference as an open forum for discussing everything reflected in the final Helsinki document, which when all is said and done, is the common patrimony of the 35 participating nations. It is not just a question of each nation explaining to what degree it has complied with the final document. Since it is our common patrimony, each participant is entitled to tell the others to what degree they have failed to comply. In other words, to try by every means of understanding at our disposal to halt these violations and to seek new recipes for constructive understanding between East and West. What we cannot allow, because it would run counter to the very spirit of Helsinki, is the thought that security and detente in Europe are possible if they are isolated from the international context. Europe cannot be a secure region if violations continue outside it. Basically, the major dilemma is between a just peace and an unjust peace. In other words, we cannot opt for peace at any price.

[Question] Of the three so-called "packages" to be negotiated (military and political security, economic and scientific cooperation and human rights), to which do you attach the most importance?

[Answer] To all three, because this is an all-embracing negotiation. If the negotiations are to be successful, they must be based on balanced gains in the three "packages."

[Question] Two Western European countries have already clearly spelled out their stands. France harbors no illusions and almost wants the Madrid conference to end in failure, whereas Italy is optimistic and totally supports the United States in condemning the Soviet Union for its invasion of Afghanistan and for continued human rights violations throughout its vast empire...What will Spain's stand be?

[Answer] We are a Western country. We have clearly Western foreign policy objectives, and this will be made obvious during the conference, as it was at Helsinki and Belgrade. Moreover, we have already pointed out that we do not have extra responsibilities just because we are the host country. We are simply a participating country with full freedom of action and we will be profoundly influenced by what we regard as necessary in the context of the Western democratic countries, of which we are one. Pursuing this basic policy of cooperation with Western countries, we will try to bring out all of the positive and constructive elements that this conference has to offer.

"Hopeful Skepticism"

[Question] So then, Mr Ruperez, Spain will adopt an intermediate stand between France's pessimism and Italy's optimism...

[Answer] That's simplifying things. Personally, I am in favor of hopeful skepticism. I do not keep my hopes too high. I know quite well what the conference can and cannot accomplish, and I hope that it will mean a step forward.

[Question] Isn't this continuing the ambiguity that has characterized Spanish policy as a whole ever since we began the transition towards democracy?

[Answer] There is no ambiguity. I just told you that Spain is a Western country, and it will operate on the basis of cooperation with the West. Both my statements and Mr Oreja's leave no room whatsoever for ambiguity. All Western nations, including the United States, are going to have the same stand. There is no country that wants to throw the conference out of balance and obtain impossible things from it.

[Question] Could the government party's decision to join NATO have an impact on the atmosphere of the conference?

[Answer] No, absolutely not. The first of the 10 principles in the final Helsinki document states that all participating nations have the right to belong to or not to belong to alliances.

[Question] Nevertheless, Mr Brezhnev took the insolent liberty of cautioning Spain not to join NATO...

[Answer] In this world we all have our opinions as to what others ought to do. For my part, I would recommend to other countries that they get out of the Warsaw Pact.

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GOVERNMENT ECONOMIC PLIGHT DETAILED

Istanbul CUMHURIYET in Turkish 31 Aug 80 pp 1, 5

/Article by Yalcin Dogan/

/Text/ The Treasury has fallen on hard times as a result of the budget policy being followed, it is reported, with a situation arising in which a 500,000 lira payment cannot even be made from the budgeted "aid to municipalities" fund and the 1980 fiscal year budget deficit exceeds 300 billion liras.

The money-credit and tax policy applied by the JP /Justice Party/ minority government in parallel with its budget policy has brought the state to the point where it can make no payments. The financial crisis in the municipalities, as in other sectors, is deepening, it was learned, and for this reason they have applied to the Finance Ministry for use of the budgeted aid funds for municipalities. However, applications made to the Finance Ministry by various municipalities are constantly being sent back because there is money in the Treasury. A municipality attached to Istanbul asked the Finance Ministry for 500,000 liras last week to make an obligatory payment, but the Treasury told the municipality that it was "not in a position to pay 500,000 liras."

Budget Deficit 300 Billion

It was found as the result of inquiries made after this happened that the budget deficit is the biggest ever in the history of the Republic. The deficit reportedly exceeds 300 billion liras as a result of the application in the first 6 months of the 1980 fiscal year budget which was presented to the assemblies as a "balanced budget" by the JP government.

Total payments in the budget as approved by the assemblies are 770 billion liras. Yet the payments figure at the moment stands at 1.1 trillion liras and therefore the budget deficit has reached an "unprecedented figure" of 300 billion liras.

Budget-Price Relationship

Considering the state's inability to make even a 500,000 lira payment and the budget deficit's reaching such large proportions, one can see that something is seriously wrong at the source.

The first source of the budget deficit is increased payments owing to price hikes. Estimated price increases in the budget fell far short of the actual increases in the first 7 months of 1980. The price increases which occurred constitute the source of the large budget deficit. The primary source is that payments were kept low at the outset but gradually rose as prices rose.

Tax Debts and Brokers

Another source of the budget deficit is the failure to deposit tax debts with the state but depositing them with brokers instead.

According to information obtained, failure to pay taxes the first year results in interest payments of 32 percent. Interest to be paid the second year is 24 percent. Yet depositing taxes with brokers instead of the state means 44.5 percent interest income. Therefore, contractors and merchants in particular do not deposit their taxes but put the money to work earning interest. The penalty on a year's delay is 32 percent, but it is more profitable to pay the "tax fine" because the interest earned in the same period is 44.5 percent.

The state is not collecting its taxes because it is profitable not to pay and take the fine, and this leads to declining budget revenues, or in other words, higher budget deficits.

Almost 30 percent of money invested with brokers is unpaid taxes.

3849
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OFFICIALS DELIVER 30 AUGUST SPEECHES

Evren Delivers Address

Istanbul CUMHURIYET in Turkish 30 Aug 80 pp 1,9

/Text/ Ankara, ANKARA AGENCY -- In a 30 August Victory Day message, Chief of Staff General Kenan Evren said that martial law should be lifted as soon as possible, that new legal arrangements should be made and that the martial law commanders should not be expected to ensure peace and tranquillity in the country by themselves. He called for realization of a national war industry with priority and speed.

General Evren said, "The Armed Forces are working day and night to perform with perseverance and loyalty the martial law service which they willingly take on for the peace and happiness of our country, albeit at a cost of being occupied in a number of places and separated from their basic duty. Nevertheless, in order to remove the negative effects, however minimal, on the units despite all efforts to prevent disruption of the training and warfare duties, we believe it is necessary that the implementation of martial law, approaching 2 years, be lifted as soon as possible."

Pointing out that the laws now in effect made a return to normal impossible and that new legal arrangements were needed, Evren said the following in his message:

"In view of the fact that on average 1 of every 2 years has been under martial law in our country for the past 20 years, it is considered necessary that the causes be given better study to find a method of solution and it is believed that this is the duty of our parliament.

"Certainly it is impossible to reconcile with reason and common sense the expectation that, since our assemblies have been brought to the situation in which they have been unable to work for months and unable to perform as important a duty as electing a president, the martial law commanders should provide the national peace and tranquillity alone and then the castigation of them when they fail to do so in a short time.

"In fact, in all nations where anarchy has gained an upper hand as it has in our country, the struggle is conducted by the nation and only in this way can it be overcome.

"Despite the negative effects of the unfortunate crises experienced by the national economy in recent years, the strong heart of the nation, filled with belief in Ataturk and unbounded love of country, will remain an indestructible fortress and an impassable mountain even to the deluge of the worst ambitions.

"However, I would also like to stress the importance of the need to give priority to and realize with speed a national war industry to protect the Turkish Armed Forces from certain negative influences by which externally-dependent nations are deeply damaged or to reduce this damage to a minimum.

"Unfortunately, the Turkish Armed Forces are paying with a rather serious crisis today the cost of the errors and neglect which have led to the failure to maintain the same enthusiasm for and the complete abandonment for a time of the thrust for a local war industry which the great Ataturk initiated in his superior, far-seeing genius.

"In addition to all this, the debility of the authority of the state is creating a singular climate conducive to the rise and growth of anarchy and terrorism and, where once students were respectful of their teachers, criminals of the policeman and sons of their fathers, this situation has been completely reversed today.

"We must not forget that the citizen wants to see the effectiveness of the authority of the state and the quick punishment of criminals. Only then will he have confidence in the state and help it and only in this way can the hoped-for wholeness be ensured.

"My dear friends,

"This savage anarchy and terrorism which is being promoted by the ignorant slaves of perverted ideologies instead of efforts to join hands to rid the nation of the economic crisis is not the solution to any problem and is only serving the evil ambitions against our integrity.

"The noncomprehending, traitorous creators of the anarchy intended to destroy the democratic order and national integrity with the havoc they are determined to raise in the country will certainly find the punishment they deserve and, like those who have tried before them, will be crushed under the iron fist of the Turkish Armed Forces, they will drown in their guilt for the blood of their brothers which they have spilled, and the great Turkish nation, in the security which the Turkish Armed Forces, rising to the call, create, will forever celebrate in peace and happiness many more holidays."

Politicians Make Statements

Istanbul MILLIYET in Turkish 31 Aug 80 p 7

/Text/ Ankara, Special -- Ceremonies were held yesterday to mark the 58th anniversary of the 30 August Victory. Acting President Ihsan Sabri Caglayangil called in his message for the judicial, executive and legislative measures necessary for elimination of martial law conditions. Prime Minister Demirel, also, said in a letter to Chief of Staff General Evren, "Our heroic Armed Forces are the lifeblood of our state."

At the Tomb of Ataturk

The first ceremony in Ankara was held at the Tomb of Ataturk. Members of the Turkish Armed Forces stood at attention after placing a wreath at the tomb. The chief of staff wrote in the memorial book, "Rest in peace, Father, because we are with you, we are of you and from you."

The ceremony at the tomb began at 0845 with a processional, headed by Evren, Air Force Commander General Tahsin Sahinkaya and Navy Commander Admiral Nejat Tumer and including many admirals and generals, up the lion-guarded approach to Ataturk's tomb.

Evren placed a wreath at the mausoleum and saluted, after which the "Independence March" was played.

At the General Staff

The commanders returned to the General Staff after the ceremony at the mausoleum and held a reception there.

Prime Minister Demirel and RPP General Chairman Ecevit met and shook hands at the ceremony at the General Staff but stood apart until the ceremony began. First Demirel gave a 10-minute speech in the ceremony which began at 0930, followed by Ecevit who spoke for 5 minutes. Demirel chatted with Nationalist Action Party General Chairman Turkes. Ecevit shook hands with everyone in the room, including Turkes.

A parade was held later at the Hippodrome.

Caglayangil's Message

Caglayangil stated in his 30 August Victory Day message that legislative, executive and judiciary measures were needed to eliminate the conditions requiring martial law and said that the nation could be freed of its ills through measures formulated in unity and togetherness.

Caglayangil's message was as follows:

"30 August is an illustrious and heroic page in our history filled with importance for every Turk.

"Our victory at Dumlupinar which once more proved to the world the invincibility of the Turk not only gave us our independence, but also opened the roads to allow the foundations of a young state to be laid to replace a dying empire and the creation of the strong Turkish Republic of today.

"Congratulations to the great Turkish nation and our heroic Armed Forces on this great day.

"Dear citizens,

"We won this great victory under the severest of circumstances thanks first of all to the full unity and faith with which the nation faced our enemies. 30 August is glorious and living proof that there is no obstacle which this nation cannot overcome, however strong the enemy, however unlikely the circumstances, if we believe, with unity and togetherness.

"There have been those at every stage of history who did not wish to see the Turk strong. There has been no lack throughout the centuries of efforts to set us against one another or ambitions to divide our nation, our homeland. And the same attitude exists today. Our great nation will most certainly see that those at home and abroad who have designs on our existence will be frustrated, as they have in the past.

"Let no one doubt that the Armed Forces of the great Turkish nation and its quintessential being always have the strength to destroy any action against the integrity and independence of the homeland and the revolution and principles of Ataturk.

"My dear citizens,

"We are living in difficult times. Some areas of our nation are under a form of administration prescribed by the Constitution for extraordinary circumstances. Our Armed Forces are on the job night and day with great dedication and self-sacrifice in order to ensure peace and security within an exemplary understanding of discipline and duty. Yet it is not right for states to live continuously under extraordinary circumstances. For this reason, there is a great need to formulate quickly the legislative, executive and judiciary measures to ensure a return to normal and to strengthen the democratic regime. My faith is firm that the problems which engulf our nation will soon be eliminated with the measures we will take in unity and togetherness and that the happy and bright future is not far off."

Demirel's Letter

Also to mark 30 August, Prime Minister Demirel sent a letter to Chief of Staff General Evren. According to a statement released by the prime minister's press advisor, Demirel said in this letter:

"Our heroic Armed Forces are the lifeblood of our state. Our heroic Armed Forces are the substance of our nation. Springing from the heart of our nation, our heroic Armed Forces, hand in hand with the nation, brought this great struggle to a glorious victory, writing countless stories of grief and joy."

Pointing out that "our heroic Armed Forces are today, as they were yesterday and will be in the future, the source of our nation's security," Demirel said the following in the letter he sent to Evren.

"And this guardian will, with finality, render ineffective the adventurers who consider as an opportunity for treason and defeatism every act by those who try to throw up a barrier before the great struggle for civilization of our beloved nation and who wish to be an obstacle to peace and serenity. It will certainly achieve the goal of reaching the level of advanced civilized countries set by the great Ataturk.

"On the occasion of this happy day, I bless the eternal memories of the great statesman and peerless military commander Ataturk and of the beloved ones who gave their lives and I salute our heroic champions with gratitude. With these thoughts, I present my best wishes and congratulations to you and all the members of our heroic Armed Forces."

Turkes' Message

Nationalist Action Party General Chairman Alparslan Turkes sent 30 August greetings to Chief of Staff General Evren and the force commanders and the gendarmerie general commander.

Turkes also sent a message to President Denktas of the Turkish Federated State of Cyprus in which he said, "Sincere best wishes with love and respect for a happy 30 August Victory Day to you and our brothers in Cyprus."

Kacmaz's View

Turkish Socialist Workers Party General Chairman Ahmet Kacmaz said in a statement yesterday, "Unfortunately, our nation is still under mandate by the imperialist nations on the anniversary of the 30 August Victory signifying the outcome of the War for Independence."

In Istanbul

Ceremonies were held at Taksim Square and Vatan Bou evard, the Edirnekapi War Memorial, the Kadikoy Ataturk statue and Simsipasa Ataturk Memorial. First Army and Istanbul Martial Law Commander General Necdet Urug held a reception following the ceremony at the Central Command. Urug awarded the chief of staff's "superior service" medal to General Sureyya Yukel, who was appointed commander of the War Academies.

As troops participating in a "torchlight parade" for Victory Day last night in Bardar passed Gazi Avenue, an explosion occurred in a nearby clothing store. Security authorities said that it was a time bomb which had been placed in the store as the troops passed.

8149
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'TERCUMAN' COMMENTS ON ERKMEN INTERPELLATION

Istanbul TERCUMAN in Turkish 6 Sep 80 pp 1,12

/Article by Erol Dalli: "Report from the Assembly: Exit a Minister"/

/Text/ An innocent minister, a minister who carried out the policy of his government, a minister who applied the foreign policy of Ataturk has fallen with a crash and a roar.

The morning atmosphere had never been like this. There was agitation in the Assembly. There were many who predicted that the minister would stay, that the Assembly would not even have a quorum. Even JP /Justice Party/ deputies were cruising the corridors more or less at ease that everything would come out all right.

But at 1430, everything was reversed, estimates changed and when two ill national deputies were brought into the Assembly on stretchers, it was all over.

While the morning gossip had been about how Haluk Ulman had resigned and Orhan Alp would not come to the Assembly, the appearance of both of them in the auditorium sealed the fate of the foreign minister.

After the voting began in the Assembly, Feyzioglu, who had not been present at roll call, quickly left his office, went to the general assembly auditorium and cast a "nay" vote and returned to his office. Returning to his office, Feyzioglu grumbled, "This is impossible, a minister ought not to be abandoned like this; he ought not to go in this way."

With "aye" votes following one another, the JP cloakroom was a beehive. Although Hayrettin Erkmen had Nizamettin Erkmen at his side, he was pacing the cloakroom nervously. At one point, he turned to his colleagues and said, "Isn't anybody going in, aren't we going in?" When he got no answer, he went out to the courtyard to get away from the reporters flocking around him. He received news of his fall in the courtyard. Remembering that he had not fully believed that he would be defeated and had left his things at the ministry, he and Nizamettin Erkmen went to the ministry to collect his things.

When the news came to the JP cloakroom that Erkmen had been defeated with 231 "aye" votes, everyone had a different opinion to offer. Some suggested calling for a vote of confidence in the government, others said that the government should resign and that it had to accept this situation because it had not resigned. Some admitted that the government was in a difficult spot. Someone said, "I wonder what Mr Suleyman is going to say." So then the talk stopped and they began to disperse.

Some who heard among the rumors that Ekrem Ceyhun would be appointed foreign minister left the cloakroom saying, "Let's go see him."

There was another report in the cloakroom following the vote. It began to go around that the RPP had met with the National Salvation Party the night before and that they had agreed to form a government at this meeting. No-one confirmed or denied this report, but the rumor persisted even outside the Assembly.

What Happens Now?

Will the Assembly go on with the interpellations next week? Nobody thinks so; it will be too hard to get the Assembly together again. So they are saying that if the Constitution Committee passes early elections, the Assembly will keep the door closed anyway. It is not at all clear what will happen by tomorrow. Last week was Erkmen's week. Erkmen fell and the week is over. We shall see what this week will show us and the nation.

8349
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DEMIREL ASSERTS RPP FOLLOWING IN NSP WAKE

Istanbul TERCUMAN in Turkish 7 Sep 80 p 9

/Text/ Ankara (MEDITERRANEAN NEWS AGENCY) -- JP /Justice Party/ General Chairman and Prime Minister Suleyman Demirel said after the meeting yesterday of his party's chairmanship council, "Under the present circumstances, Turkey cannot be turned over to the current leadership of the RPP. Ecevit cannot do anything and does not understand Turkey's problems but has tried to prevent others from doing anything. Moreover, the RPP is following in the NSP /National Salvation Party/'s wake."

At a press conference called in relation to developments on the dismissal of Foreign Minister Erkmen, Demirel said that the interpellation had actually been introduced in order to create a crisis, that duplicity and intrigue had been applied in the halls of the Assembly. Stating that the RPP, whose interpellation was frivolous, had fallen in behind Erbakan, Demirel said that if the RPP came to power itself or with the NSP, it would have to give an accounting to the nation as to whether it would practice a foreign policy along the lines of the views expressed in the interpellation. Demirel said that they would remain on duty as long as they were of use to the nation and when they felt they were not of use to the nation, they would have the dignity to cut the cord themselves.

Behind the Interpellation

In expressing his views at the press conference on the interpellation of Erkmen, Demirel, noting that parliamentary interpellation is constitutional, said that questions had been introduced on the government before and now they were being introduced on the ministers separately. He said:

"Moreover, the houses of parliament were left with the obligation to defend themselves in the August heat while the government is suffering such trouble and we said that if you want to create a government crisis, you can do so, but the country will suffer; if you are not happy with the government, then let us go to elections. It was seen that the NSP general chairman was neither serious nor sincere in the speech he made on early elections.

"To date, early elections have neither been accepted nor rejected, but are still in committee.

"The RPP did not accept our proposal to go to the nation, but ran away from the nation. But by applying duplicity, intrigue and deceit in the halls of the Assembly, preferred to continue harassing the government. I do not know what the RPP will gain by harassing the government every day when it has all the country's problems to deal with, but I do not ask the RPP to like our government.

"Now the problem has come to parliamentary interpellation of the ministers one by one as a chance to harass the government.

"When you look at the interpellation of the foreign minister, you see how frivolous it is and how groundless their claims are. The interpellation itself is very important from the standpoint of showing that its sponsors and the RPP have a design. The proposal was not made for the oversight function. It was made directly in order to create a crisis. Therefore, it is a design, frivolous.

"I ask those who voted for a proposal having in it such a claim: Did you really believe in this? Did you really vote, believing that our government would make Turkey into a province of Europe? What evidence is there, what proof? We were supposedly trying to join the Common Market. In 1963, the government of that time adopted the decision to join the Common Market, the Ankara Agreement was signed and Mr Ecevit was the minister of the government which signed the Ankara Agreement.

"The RPP has been in government several times from 1963 to 1980 and it has not regarded the Common Market as a problem of Turkey's becoming a European province. The NSP was in government once with the RPP and twice with us and it did not regard Turkey's relations with the Common Market as making Turkey into a European province, nor did it make them a condition for coalition or bring the matter to the government table. If this is so, what has Turkey become in 1980? This was made into a crime in 1980 and we were presented with the bill. To go on with an application on this matter is absurd. All of these are sufficient to show that the proposal is far from serious and just a farce."

Turks in Western Thrace and Erbakan

Noting that the proposal also contained claims that he was ignoring the oppressed Turks in Western Thrace, Prime Minister Demirel said that the government of the Republic of Turkey was applying its full weight and gravity to this problem but drew attention to what Erbakan, whose signature is on the interpellation, had said about Iraqi Turks following his visit to Baghdad. Demirel said the following:

"Our brothers were forced to their knees and shot in the back in Hakkari for 'crossing the border' and before their blood is even dry, while first 17, then 5 of the Turkish leaders in Iraq are sentenced to death and a large protion of them executed, while their agony is in the heart of our nation, Erbakan, on returning from a visit to Baghdad, makes the pronouncement that our brothers who were killed for crossing the border were killed justly, that our brothers who were hanged there were hanged justly. That is, he told those who did this what amounts to: If anybody crosses the border, kill a few more, kill a few more of the oppressed people of Eastern Anatolia. Erbakan said, 'It is not true that Turks in Iraq are being persecuted; there are some who were executed.' It is impossible for a person who says this to try then to act as the defender of our brothers in Western Thrace. It is impossible to maneuver out of this sin. He has no right to say these things after recommending that our brothers be shot in a way that defies humanity, Islam and brotherhood."

Relations with Iran

Demirel noted that Turkey's trade with Iran had increased 20-fold, that Turkey had not consented to disregard the welfare of the brothers in Iran, leaving them hungry in the face of global embargo. The prime minister remarked on Turkey's being the first country to condemn the Soviet invasion of Afghanistan and said, "What more could we do? To those who wanted to send troops, I say: Where should we have sent them? Is it not the job of parliament, not the government, to send troops? How were we supposed to send them 6,000 kilometers away? If we are subject to accusation, then this has no meaning?"

Jerusalem Problem

On Israel's proclaiming Jerusalem its capital, Demirel pointed out that he had been castigated for not severing relations with Israel and said, "Now, did Jerusalem change hands?"

Demirel noted that doubts had arisen in the world as of yesterday morning after the interpellation; that as long as they were in government, the policy in their program would continue; that this policy had traditional aspects, that an important part of the foreign policy contained in the government program amounted to state policy and that no matter what government came to power it could not change the major part of it. Stating that this was a foreign policy outlined by Ataturk and that he was being criticized today, Demirel said:

"By voting for this motion, the RPP has concurred in the foreign policy principles outlined by Mr Erbakan. By its vote, the RPP has virtually admitted that this is the case in Turkey's foreign policy. If a minister is accused of not doing these things and the accusation holds, that means admitting to these things. One wonders if the RPP would follow this framework as foreign policy if it came to power? If it did not and said, 'I voted just to put the government on the spot,' what is this but hypocrisy?

If it did follow this framework, it would be very damaging to Turkey. If the RPP and the NSP formed a government together, would they pursue this foreign policy? Or would they follow some other policy, disignating this a license for crime? The nation is waiting for the answer to this and we will not let them go but keep on asking."

RPP Follows in Erbakan's Wake

Demirel said that the RPP is following in Erbakan's wake, that it was impossible for anyone with a conscience to excuse themselves for voting for this motion. He continued as follows:

"The rationale on which the government was formed remains. Whether the government's ability to perform its duties has been destroyed is the business of the JP General Executive Board. The JP General Executive Board is on top of the problem. As long as we are of use to the nation, we will see what the JP General Executive Board's decisions will be next week. When we see that we are no longer of use to the nation, we will know that we must cut the cord ourselves and do it with dignity. Let no one worry or be in any doubt. We will continue to do what intelligence and the national interests require; there is no need to panic. We will be extremely active vis-a-vis the paralysis of certain institutions of state."

Nation Cannot Be Turned Over to RPP

Prime Minister Demirel said at the conclusion of his statement, "Under the present circumstances, Turkey cannot be turned over to the current leadership of the RPP. Turkey would be badly harmed by this. Actually, they do not want this themselves. They are following a policy of 'After me, the deluge.' If you make this government fail, Turkey is the one that is hurt. They seem to have forgotten this in their greed."

Questions and Answers

Demirel then answered reporters' questions and in answer to a question as to whether the government would call for a vote of confidence after these developments, he said that if every time something happened, it was considered reason for the government to give up and go, then they would be contributing to the instability and crisis. "We will not take it sitting down, but go on with our struggle," he said.

One reporter mentioned the references to a "transparent" and "nylon" prime minister and asked Demirel his views. Demirel said, "What should we do but make the opaque transparent under such difficulties as these? What interest of Turkey's does it serve to throw away the opaque and wish for the transparent? We do not believe it would do any good to try again the models which have been tried in the past." He added that those who govern Turkey are accountable to Turkey from one end to the other.

In answer to another question, Demirel noted that it was impossible according to the constitution to combine interpellation with a call for a vote of confidence in the government and said that the claims in relation to this interpellation that the foreign minister had been abandoned were "ridiculous," that he had put heart and soul into his job, that not attending the vote did not mean abandoning the minister, that this was not an overnight motion, that the decision not to attend had been made in the JP group and this decision had been carried out and that the other side had to get 226 votes for interpellation.

Demirel said in answer to another question that Minister of State Ekrem Ceyhun had been appointed acting foreign minister.

One reported asked Demirel to clarify his statement that Turkey could not be turned over to the current RPP leadership. Demirel said that his statement was clear, that it was obvious where the RPP had led Turkey during its 22-month administration and, pointing out that the RPP had tolerated anarchy, nurtured the enemies of the Turkish state and given in to the separatists, said in answer to another question, "If Mr Ecevit had any guts, in he had the courage, he ought to say, 'I will overthrow this government and form another government,' but that is not what he is doing."

Demirel said that the RPP would give Turkey deprivation, scarcity and poverty, that it was they who had announced that the air had gone out of the balloon of expectations.

In response to Ecevit's statement that the government was throwing out ministers like ballast in order to stay afloat, Demirel said:

"Which minister are we supposed to have told to sit on the edge? We could tell him. One cannot call this throwing ministers overboard like ballast."

Noting that Ecevit had been unable to prevent interpellation of Isguzar in June 1979, Demirel said, "Why did Ecevit throw Isguzar overboard like ballast? If we intended to leave ministers on the edge like ballast as he did, we would act as he did; but we did not desert him but said, 'The Assembly took him, the finger cut off by the Holy Law cannot hurt.' We accepted the Assembly's decision with respect. This being the case, giving it a name has no meaning."

8349
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ECEVIT CALLS FOR GREATER LABOR INVOLVEMENT

Istanbul CUMHURIYET in Turkish 7 Sep 80 pp 1,9

/Text/ (ISTANBUL NEWS SERVICE) -- Speaking at the PETROL-IS /Turkish Petroleum, Chemical, Nitrogen and Atomic Workers Union/ general assembly, RPP General Chairman Bulent Ecevit said that the political parties and politicians were like teams playing a football game, and the people like the spectators sitting in the stands. "The dirty, bloody, ugly match being played on the field has even made the fans angry with their favorite team. Democracy will degenerate little by little if society is the spectator in the stands and the parties the player on the field. I have come to the PETROL-IS congress to invite the workers in the stands down onto the field," he said.

Emphasizing that what he expected from the workers was not action in the form of reaction, Ecevit said that even if TURK-IS /Turkish Confederation of Labor/ and DISK /Confederation of Revolutionary Worker Unions/ cooperated only on the principles of collective agreements, in the return of the rights gained, democracy in Turkey would gain many things.

Noting that the basic mistake was to consider the struggle for democracy a spectator sport, Ecevit pointed out that democracy existed to the extent that this kind of game was eliminated and that all the strategies were devised to keep the people passive, to keep them spectators.

Ecevit said there were many lessons to be learned from the fight which the Polish workers had waged for democratic rights in a nation not considered democratic by any Western capitalist standards, that no force whether internal or external had been able to stand against the conscious, massive stance of the workers and that democracy had begun automatically to come into being. He then said, "I expect some reactions from Turkish workers," and continued as follows, in summary:

"I am not proposing an action similar to that in Poland. There is no need for this because broad union rights have been attained by law in Turkey. I am calling for protection of the rights which workers in Turkey have, for guaranteeing their validity. This desire of a worker who wants job

security cannot be called an ideological desire. Wage unionism is trying to get a foothold in Turkey. When workers are cut off from their sources by wage unionism, it becomes a question of limiting wage increases.

"The desire to take back the most innocent of worker rights related to job security came up for the first time in the HAVA-IS /Turkish Civil Aviation Workers Union/strike. HAVA-IS was left alone. Now the entire labor movement is paying the price. The same intransigence is being brought to all agreements.

"While replying to the president of TURK-IS in a recent speech, Demirel essentially appealed to the public masses for unity in destitution. Let the civil servant and the peasant be destitute and let the worker be destitute he said. Was it not the workers who wanted civil servants to have the right to organize unions?

"The fight on the field is over dividing up diminishing income. The prime minister reads the riot act to the workers. With a policy of setting the workers at loggerheads, he declares a class war on behalf of the employers.

"It is not too late. Turkish workers must unite in order to make democracy valid, to guard their rights. Even joining in collective agreement strategy is very successful. This adds strength not just to the worker, but to democracy in the throes of death. Come down out of the stands onto the field, make policy and strategy for the labor movement. If you can use your strength together, you will save yourselves, democracy and society. This is how the fight on the field will end."

Kul's Statement

Vice President Emin Kul, who spoke on behalf of the TURK-IS president, welcomed Ecevit's appeal but said that the workers would not gain much of anything from unity of action on collective agreements, that it would leave them in the grip of wage unionism. "We want to have influence on administration. We can protect our rights only if we have influence on administration. Yet the political parties close their doors to us, not only with legal restrictions, but with their bylaws, primary run-offs, vetoes and such," he said.

Isiklar Speaks

DISK General Secretary Fehmi Isiklar said that they were ready for unity of action not just for principles of collective agreements, which were at what could be considered a backward level for TURK-IS and themselves, but primarily in order to oppose fascism in every area, unconditionally on every topic, even to begin one by one on such topics as, for example, the arrest of the leaders of the health workers and DISK's putting its full strength behind the principles that TURK-IS would defend providing they reach agreement on a realistic minimum wage demand. Isiklar said that he

shared Ecevit's view that this government must come down but that they were not at all among the spectators watching the game on the field from the stands, stressing the 50,000 workers now on strike and the strikes in the offing as final proof of this. "We are not and will not be in the stands. But our friends should not show us the yellow card," he said.

Cevdet Selvi said that another basic matter in the unity of force and action against fascism was the duty of the RPP against fascusm and continued as follows:

"However right the RPP, which depends on the vote of a broad worker mass, may be in its assertions that the policies applied in our country have brought the danger of fascism to the fore, it is at least equally as necessary to support the forces of democracy, to put aside as soon as possible the internal, sterile conflicts and cooperate with the unions and democratic organizations to protect democracy. Our working class expects this. There is no time to lose."

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CSO: 4907

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Oct 20, 1980